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C O N F I D E N T I A L SECTION 01 OF 02 MUSCAT 000493

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SUBJECT: AHMADINEJAD VISIT TO MUSCAT "SHORT ON SUBSTANCE"

Classified By: DCM Alfred F. Fonteneau, reasons 1.4 b and d

- 11. (C) In the late evening of May 16, the Deputy Chief of Mission received a readout of Iranian President Mahmoud Ahmadinejad's May 14-15 visit to Muscat from Minister Responsible for Foreign Affairs Yusuf bin Alawi. Bin Alawi characterized Ahmadinejad's visit as "rather short," noting that the Iranian president left promptly on the morning of the second day. The Minister characterized the official discussions as "very general" and mostly focused on the future of the region and of the two countries' bilateral relationship.
- 12. (C) Of importance to bin Alawi was the discussion with Ahmadinejad on the necessity of creating mechanisms for regional countries to resolve issues of common interest, including security concerns. On Iraq, bin Alawi characterized Ahmadinejad's view of the situation as "difficult" and "complicated," with Arabs in general complaining about Iran's supposed meddling in Iraq's internal affairs. The Minister commented that Ahmadinejad "denied all these things," though the Iranian president did acknowledge that relations between Iraq and Iran historically have been "up and down." Bin Alawi told the DCM that Ahmadinejad affirmed to the Sultan that Iran fully supports the Maliki government, wishing it "great success."
- 13. (C) On the question of whether Iran intended to participate in talks with the USG, bin Alawi believed that Iran remained open to the option. During his meetings with Ahmadinejad, the Sultan reinforced the importance of all countries in making a positive contribution to the resolution of regional disputes. The Minister remarked that the Sultan conveyed the notion that "Iran could not isolate itself from the rest of the world, nor could the world isolate itself from Iran." Both the international community and Iran, continued the Sultan, have shared, vital interests that could only be reconciled through continued discussion.
- 14. (C) On Oman's bilateral relationship with Iran, the Minister reiterated the talks as being general in nature. He did comment that the Sultan and Ahmadinejad had an "off the record" discussion over dinner, but shared his assumption that not much of interest was discussed. The only real development that bin Alawi mentioned was that the two sides had signed a Memorandum of Understanding on joint efforts related to gas exploration and production (septel). Even on this point, bin Alawi noted that the two sides have not yet agreed on the "core difficulty" of the negotiations, that being price related to the pipelines and the cost of drilling in the Hinjam/Bukha field.
- 15. (C) Concerning the GCC, bin Alawi stated that Ahmadinejad expressed his desire to see good relations with all of its members, but didn't offer substantive proposals on achieving

- this goal. The Minister remarked that the Iranian president seemed to imply that Oman should "come up with something," but that Oman did not think that the time was "right to move to this level." Bin Alawi questioned how much stock could be placed on Ahmadinejad's intentions, sharing a story of the Iranian president's meeting with King Abdullah Aziz. During that meeting, Aziz found Ahmadinejad initially to be "an intelligent person who knows everything, who understands what's going on, and who is a good listener," only to be surprised later when the president ignored the King's advice by returning to Tehran to lead several provocative rallies.
- 16. (C) Bin Alawi expressed his deep concern over the growing Iranian population in the United Arab Emirates, finding the estimated 500,000 figure to be "quite a lot." According to the Minister, the large Iranian presence in the Emirates in terms of people and money is creating a "dangerous" situation by providing a ready excuse for Iran to meddle in the UAE in the name of "protecting their citizens."
- 17. (C) Bin Alawi stated that he would be departing for Tehran on May 17 before continuing on to Washington, where he looks forward to meeting with, among others, the Vice President and the Secretary. The DCM inquired about the status of three American citizens being held in Iran. The Minister was not familiar with the subject, but endeavored to raise it in his meetings with Iranian interlocutors.
- ¶8. (C) Comment. The overall mood of the Minister seemed to indicate that the trip was a disappointment. From the Minister's readout and mannerisms, the meetings appeared to be generally lackluster in nature and short on substance, despite the heavy, positive media coverage of the visit from both media outlets. Even on the MoU on gas exploration and development, bin Alawi was not sanguine about the possibility

MUSCAT 00000493 002 OF 002

- of something substantive happening in the next three to four years. Of further interest is the fact that bin Alawi did not specifically mention Iran's nuclear ambitions during the meeting.
- 19. (C) It is unclear why bin Alawi is returning to Tehran so soon after Ahmadinejad's state visit to Muscat, but nevertheless his visit will provide USG interlocutors an opportunity to discuss with the Minister the most recent developments regarding Iran's intentions toward Iraq and its inclination to engage the USG on discussions related to its nuclear ambitions. End Comment.

GRAPPO